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TO RUEHC/SECSTATE WASHDC IMMEDIATE 6104  
INFO RUEHKK/ARAB ISRAELI COLLECTIVE PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
RUEHBS/USEU BRUSSELS PRIORITY

UNCLAS SECTION 01 OF 02 JERUSALEM 005005

SIPDIS

SENSITIVE  
SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR  
WILLIAMS/SHAMPAINE/STEINGER; NSC FOR ABRAMS/DORAN/WATERS;  
TREASURY FOR SZUBIN/LOEFFLER/NUGENT/HIRSON

E.O. 12958: N/A  
TAGS: [EAGR](#) [ETRD](#) [ECON](#) [PGOV](#) [KWBG](#) [IS](#)  
SUBJECT: 2006 OLIVE HARVEST: HIGH YIELD EXCEEDS  
EXPECTATIONS; SETTLER INTERFERENCE REPORTED

1. (SBU) Summary: The 2006 Palestinian olive harvest was very successful and is expected to produce USD 100 million in olive oil sales - tripling the USD 30 million earned in 2005. (Note: Olive harvests are cyclical, with each low year followed by a high year - 2006 was a cyclical high year for olives. End note.) The harvest ran from late October through November. An estimated 48 percent of the 2006 oil will be consumed domestically, with the remainder scheduled for export. Obstacles to movement and access in the West Bank hampered farmers' ability to sell their oil, as they reportedly faced 40 percent more physical obstacles and security restrictions than in 2005. Israeli human rights groups reported 18 to 50 major instances of olive theft and violent disruptions by settlers of the 2006 Palestinian olive harvest. End summary.

#### EXPECTED OLIVE OIL REVENUES -----

2. (SBU) Paltrade specialist Said Sabri told EconOff that the 2006 olive harvest was exceptional and expected to produce 33,000 tons of olive oil, from which the Palestinians should earn USD 100 million in sales. Olive harvests are cyclical, and, as 2006 was a high year, 2005 was a low production year that earned just USD 30 million in sales. Sabri stated that 52 percent of the 2006 Palestinian crop will be exported outside the Palestinian territories. Specifically, 24 percent of the 2006 oil will be sold to Israel and 12 percent to Jordan, Egypt and Saudi Arabia. The U.S. will import 1 to 2 percent of total production and Europe 7 to 10 percent.

#### OBSTACLES TO QUICK SALES -----

3. (SBU) According to an October World Bank report, during the 2006 harvest, Palestinian olive farmers in the West Bank would likely face over 500 physical obstacles and closure restrictions; a 40 percent increase from 2005. Sabri told EconOff that the main logistical issue for Palestinian farmers continues to be transportation of their olive oil to central West Bank for sale and export to and through Jordan, as shipments are stopped and delayed repeatedly. (Note: OCHA's count of obstacles to movement in the West Bank totaled 533 in October and 540 in November. End note.)

4. (SBU) Sabri stated that a small percentage of Palestinian olive trees are located to the west of the separation barrier, forcing many farmers to travel long distances and request permission from Israeli security forces to harvest

their olives. In addition, Sabri said that growing movement and access issues in the Palestinian territories increase production, transportation, and inventory costs, making Palestinian olive oil more expensive and its producers much less competitive on the international market.

#### REPORTED SETTLER ATTACKS

15. (SBU) Issa Ishatla, Director of the Palestinian Olive Association, told EconOff that he received over 50 separate reports of violent interference by Israelis during the harvest. Ishatla stated that, according to numerous complaints made to him by farmers, Israeli settlers throughout the West Bank threw rocks and insults at olive pickers working close to Israeli settlements. His association estimated that 8,000 of the 100,000 West Bank families involved in the olive oil business were threatened and/or abused by settlers during the harvest.

16. (SBU) Rabbi Aric Ascherman, Director of Rabbis for Human Rights, told EconOff that there were far fewer acts of violence and harassment of farmers by settlers during the 2006 harvest than during that of 2005. He stated that a June 26, 2006 Israeli High Court ruling, preventing the IDF from closing-off areas in a way that prevents Palestinians from working their crops, helped ensure the freedom of movement for farmers during the 2006 harvest. Regardless, he added, settlers threw rocks and threatened Palestinians farmers during the harvest on numerous occasions - he estimated 50 major instances.

17. (SBU) The Israeli human rights group Yesh Din recently reported that there were 18 major instances of olive theft

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and violent disruptions of the 2006 harvest by Israeli settlers.

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